

ARCO Oil and Gas Company
Western District
Post Office Box 1610
Midland, TX 79702
Telephone (915) 688-5200

OIL CONSERVATION DIVISION
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September 18, 1992

Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Mr. J. T. Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

RE: Application for Unorthodox Eumont Gas Well Location & Simultaneous Dedication
Barber Gas Com Wells #1, #2, #3
E/2 of E/2, Section 7, T20S, R37E, Lea County, NM
W/2 of W/2, Section 8, T20S, R37E, Lea County, NM
Eumont (Yates/Seven Rivers/Queen) Gas Pool

Dear Mr. LeMay / Mr. Sexton:

ARCO Oil and Gas Company respectfully requests administrative approval for an unorthodox Eumont gas well location for the Barber Gas Com #3 well (currently known as the B. J. Barber #18, and to be renamed after recompletion) located 1650' FNL, 330' FEL, Section 7, T-20S, R-37E in Lea County, New Mexico. The Barber Gas Com #3 is currently known as the B. J. Barber #18, and is a Monument Paddock oil well which ARCO is preparing to recomplete uphole to the Eumont pool. At the same time, ARCO requests simultaneous dedication of the Eumont gas production from the Barber Gas Com Wells #1 and #2 with the Eumont gas production from the Barber Gas Com #3 well. The Barber Gas Com Wells #1 and #2 are Eumont gas wells currently dedicated to an existing 320 acre proration unit comprised of the E/2 of E/2 of Section 7 and the W/2 of W/2 of Section 8, T20S, R37E.

Attached are C-102 forms identifying both the existing and proposed configuration of the subject 320 acre Eumont gas proration unit. Also attached is a list of offset operators and/or co-owners for this unit, and a land plat map of the surrounding area.

ARCO Oil and Gas Company believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of Eumont gas reserves from the subject acreage.

ARCO Oil and Gas Company is notifying the offset operators of this application by sending a copy of this application package, along with waiver to objection forms, by certified mail. If you need further information, please call me at (915) 688-5546.

Sincerely,

Kevin D. Renfro
Operations/Analytical Engineer

KDR:lrh

Attachments

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed stamped, self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

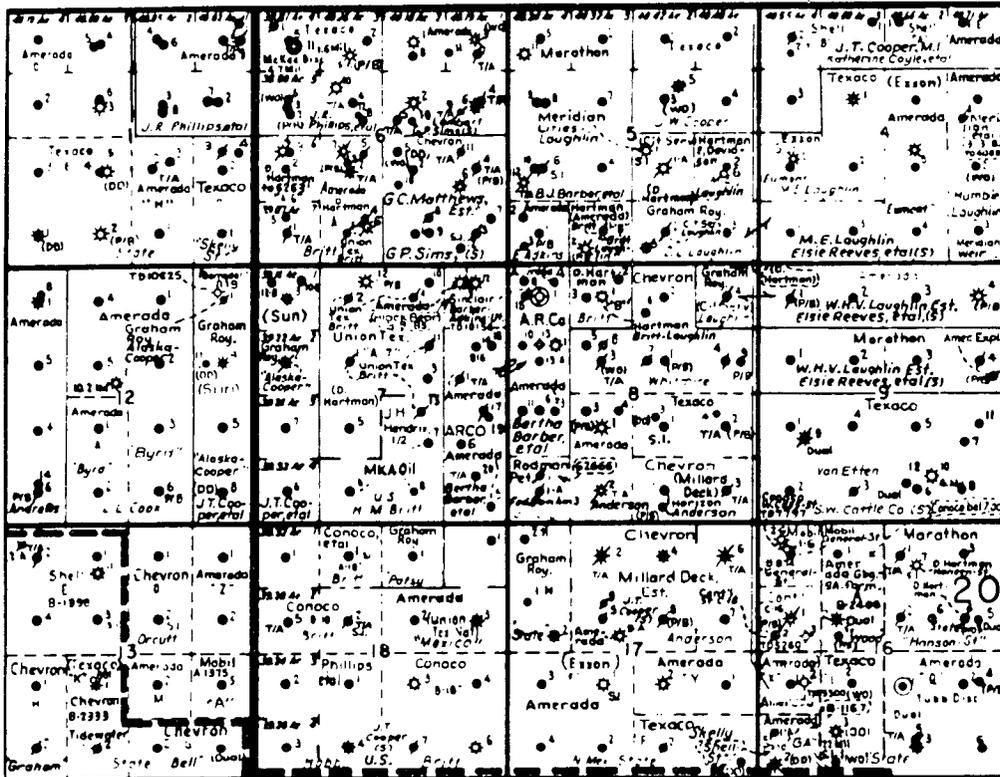
**Application for an
Unorthodox Eumont Gas Well Location
Barber Gas Com #3 (formerly B. J. Barber #18)
and
Simultaneous Dedication of Eumont Gas Production
Barber Gas Com Wells #1 and #2 (existing)
Barber Gas Com Well #3 (new)
Eumont Gas Pool
E/2 of E/2, Section 7, T20S, R37E
W/2 of W/2, Section 8, T20S, R37E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval of an unorthodox well location for the Barber Gas Com #3, and simultaneous dedication of Eumont gas production from the Barber Gas Com Wells #1, #2, and #3 to an existing 320 acre proration unit.

Signed: _____
Title: _____
Company: _____
Date: _____

ARCO OIL AND GAS COMPANY
 Application for an
 Unorthodox Eumont Gas Well Location
 Barber Gas Com #3 (formerly B. J. Barber #18)

Simultaneous Dedication of Eumont Gas Production
 Barber Gas Com Wells #1 and #2 (existing)
 Barber Gas Com Well #3 (new)
 Eumont Gas Pool
 E/2 of E/2, Section 7, T20S, R37E
 W/2 of W/2, Section 8, T20S, R37E
 Lea County, New Mexico



OFFSET OPERATORS

- Marathon Oil Company
- Texaco Expl. & Prod.
- Doyle Hartman
- Amerada Hess Corp.
- Chevron, USA
- Meridian Oil, Inc.
- Oryx Energy Co.
- R. B. Honeyman, Jr.
- Conoco, Inc.
- John H. Hendrix
- Phillips Petroleum Co.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

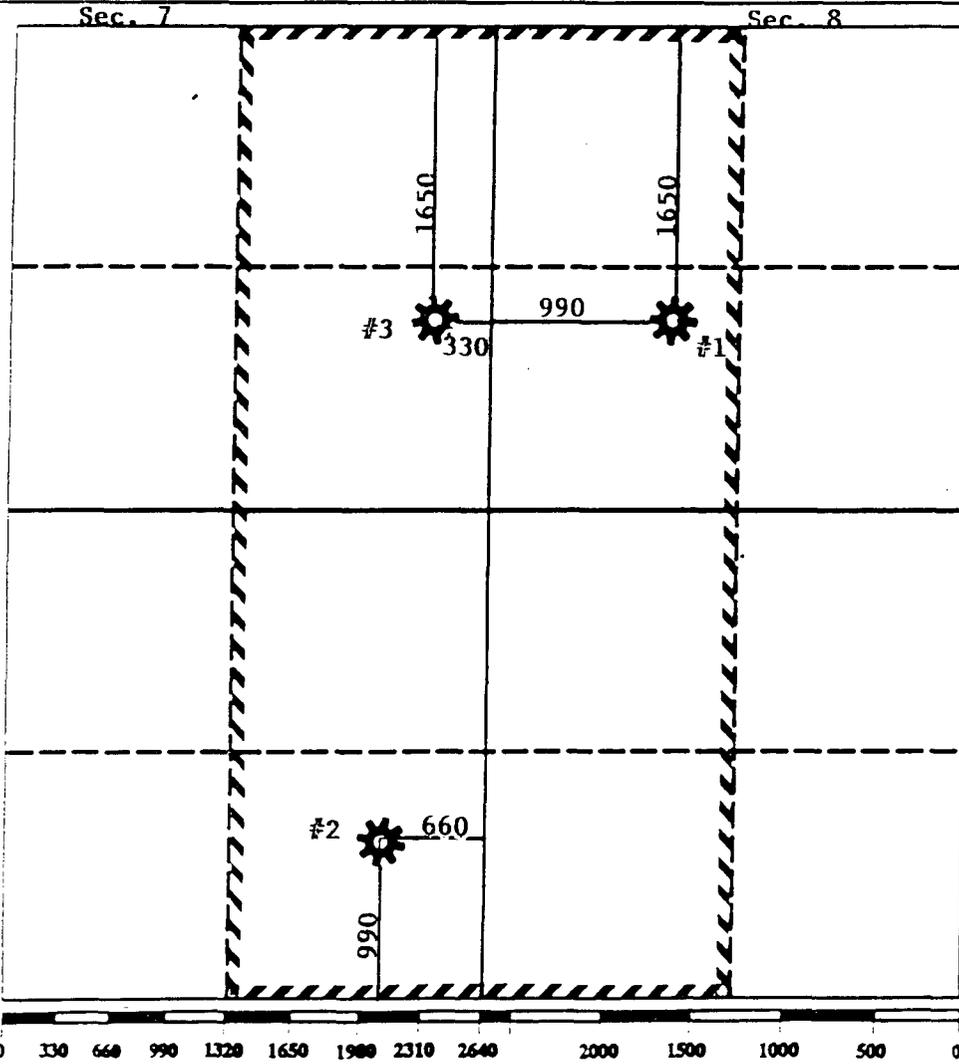
WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Operator ARCO Oil and Gas Company			Lease (Former Name B.J. Barber) Barber Gas Com		Well No. 3 (Former #18)
Unit Letter H	Section 7	Township T20S	Range R37E	County NMPM Lea	

Actual Footage Location of Well:

1650 feet from the North line and 330 feet from the East line	Producing Formation Yates Seven Rivers Queen	Pool Eumont Gas	Dedicated Acreage: 320 Acres
Ground level Elev. 3554'			

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



T20S
R37E

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Evelyn Gilson
Printed Name: **Evelyn Gilson**
Position: **Engr. Tech.**
Company: **ARCO Oil and Gas Company**
Date: **September 16, 1992**

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: _____
Signature & Seal of Professional Surveyor: _____
Certificate No.: _____



STATE OF NEW MEXICO

OIL CONSERVATION DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

9-25-92

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL X + 219 _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

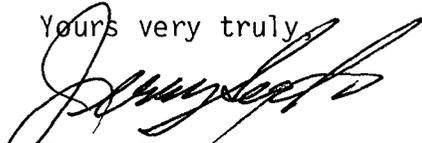
I have examined the application for the:

Arco Oil & Gas Co. Barber Gas Com #3 (currently B.J. Barber #18)
 Operator Lease & Well No. Unit S-T-R H-7-20-37

and my recommendations are as follows:

OK

Yours very truly,


 Jerry Sexton
 Supervisor, District 1

/ed